



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 20, 1999

David Campbell
Frontier Insurance Company
2636 Elm Hill Pike, Suite 500
Nashville, TN 37214

Re: Bonds Replaced, White Oak #1 and #2 Mines, ACT/007/001, Horizon Mine,
ACT/007/020, Lodestar Energy, Inc., Folder #5, Carbon County, Utah

Dear Mr. Campbell:

The Division approved the transfer of the mining and reclamation permit for the White Oak #1 and #2 Mines (Permit ACT/007/001) from White Oak Mining and Construction, Inc. to Lodestar Energy, Inc. on July 14, 1999 and has accepted Lodestar's replacement reclamation bond for such permit (replacement bond is surety bond #143715, issued by Frontier Insurance Company, in the amount of \$4,292,000.)

The Division has also approved the transfer of the mining and reclamation permit for the Horizon Mine (Permit ACT/007/020) from Horizon Mining, LLC to Lodestar Energy, Inc., (also approved on July 14, 1999 and has accepted Lodestar's replacement reclamation bond for such permit (replacement bond is surety bond #143714, issued by Frontier Insurance Company, in the amount of \$711,000.)

If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Jim Moore, Scheer's Incorporated
Eberley Davis, Lodestar Energy, Inc.
Mike Malmquist, Parsons, Behle and Latimer
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